GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Industrial Development Policy 2015-2020 under Mega Project Status to M/s Mohan Spintex India Limited which have 3 units in Vattigudipadu, Remalle, Krishna district and proposes to set up the unit at Mallavalli Village, Bapulapadu Mandal, Krishna district, - Orders-Issued.

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INDUSTRIES & COMMERCE (Programme-II) DEPARTMENT

G.O.MS.No. 119 Dated: 05-09-2017

Read the following:-

1. Lr. No. MSIL/H&T/019/2017-18, Dated 06/04/2017 of M/s. Mohan Spintex India Limited, addressed to the Commissioner and Exofficio Secretary, Department of Handlooms and Textiles.
2. State Investment Promotion Committee Meeting on 09.06.2017
3. State Investment Promotion Board Meeting on 13.06.2017

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**ORDER:**

In the letter 1st read above, M/s Mohan Spintex India Limited stated that they have 3 units in Vattigudipadu, Remalle, Krishna district and invested approximately Rs.500 crores in cotton ginning, spinning of high quality yarn, Open Ended Spinning, twisting and weaving of sheeting & garment fabrics providing direct employment to around 2800 people and exports more than 55% of its products to countries such as USA, Australia, China, Korea, Israel, and Bangladesh etc.

2) They have further stated that the Company proposes to set up the unit at Mallavalli Village, Bapulapadu Mandal, Krishna district, with an investment of Rs.611 crores in two phases in the forward textile value chain of State of the art Processing House and CMT unit (Cut, Make & Trim) with capacity balancing in Weaving. The proposed facility will employ around 2000 people directly and 6000 people indirectly and the captioned unit is requesting the following incentives.

(1) Land allotted at Mallavalli (V), Krishna District to be considered at a concessional price of Rs. 8.50 Lakhs per acre.
(2) Capital subsidy of 15% on weaving & processing.
(3) 50% subsidy with a maximum ceiling of Rs. 50 Crores for the state of the Effluent Treatment Plant Machinery .
(4) Providing power supply with required infrastructure to the project site at free of cost.
(5) Cost of the power to be fixed @Rs.3 per unit for a period of 10 years for both phases from respective CODs.
(6) Provision of 2 MLD water supply from Polavaram Canal or alternate sources at free of cost.
(7) Enhanced subsidy of 50% as against 30% for the proposed solar power plant for ETP.
(8) Continution of all subsidies presently extended under AP Textile Policy 2015-20
(9) Laying of 18 meter roads to the project site.
(10) Identification of landfill for ETP sludge.
(11) Speedy reimbursement of all subsidies.
(12) Designation of Special Officer to assist the Company in getting all statutory clearances for the project such as Electricity Board, Pollution control Board, Ministry of Environment & Forests, Water supply, subsidies etc.,

3) In the reference 2nd cited read above, the proposal was discussed in detail and the State Investment Promotion Committee recommended the following incentives to M/s Mohan Spintex India Limited.

(i) Capital Subsidy @ 10% of the fixed capital investment limited to Rs.10.00 Crore available for garment units under Textile policy to be extended to integrated textile projects.

(ii) Power cost reimbursement @ Rs.2/- per unit for 5 years to be extended to integrated textile projects and to amend the policy accordingly in order to create a level playing field, keeping in view the power cost reimbursement provided to spinning units under earlier policies.

(iii) One time training assistance @ Rs.10,000 per employee for 2000 employees.

(iv) APIIC to provide external infrastructure like power, road and water upto the door step.

(v) 50% of the eligible Capital Investment on green measures specified in the IDP 2015-2020 policy with a ceiling of Rs. 50 crore based on the precedence.

(vi) All other incentives as per Textile and Apparel Policy 2015-2020.

4) In the reference 3rd read above, the State Investment Promotion Board(SIPB) has examined the proposal and discussed in detail and felt that higher investments should be encouraged with higher capital subsidy duly correlating with employment generation, instead of a flat subsidy of Rs 10 crore irrespective of investment. After detailed discussion, it was decided to consider M/s Mohan Spintex India Limited for the following incentives.

(i) Capital Subsidy @ 10% of the fixed capital investment limited to Rs.10.00 Crore for integrated textile projects with the following limits

| | Investment | & | Emp | subsidy Limit |
|---|---|---|---|---|
| (a) | Upto 250 Cr | and | 500 emp | upto 10 Cr |
| (b) | 250-400 Cr | and | 1000 emp | upto 20 Cr |
| (c) | 400-600 Cr | and | 1500 emp | upto 30 Cr |
| (d) | 600-800 Cr | and | 2000 emp | upto 40 Cr |
| (e) | 800-1000 Cr | and | 2500 emp | upto 50 Cr |

(ii) Power cost reimbursement @ Rs.2/- per unit for 5 years to be extended to integrated textile projects and to amend the policy accordingly in order to create a level playing field, keeping in view the power cost reimbursement provided to spinning units under earlier policies.

(iii) One time training assistance @ Rs.10,000 per employee for 2000 employees.

(iv) APIIC to provide external infrastructure like power, road and water upto the door step.

(v) 50% of the eligible Capital Investment on green measures specified in the IDP 2015-2020 policy with a ceiling of Rs. 50 crore based on the precedence.

(vi) All other incentives as per Textile and Apparel Policy 2015-2020.

5) Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives as per Textile and Apparel Policy 2015-2020 and as per IDP 2015-2020 policy to M/s Mohan Spintex India Limited which have 3 units in Vattigudipadu, Remalle, Krishna district and proposes to set up a unit at Mallavalli Village, Bapulapadu Mandal, Krishna district, with an investment of Rs.611 crores in two phases in the forward textile value chain of State of the art Processing House and CMT unit (Cut, Make & Trim) with capacity balancing in Weaving. The proposed facility will employ around 2000 people directly and 6000 people indirectly as Mega Project status.

(i) Capital Subsidy @ 10% of the fixed capital investment for integrated textile projects with the following limits

| Sl. No. | Investment (in Rs. Crores) | Employment Nos | Subsidy Limit (in Rs. Crores) |
|---|---|---|---|
| 1 | Upto 250 | 500 | 10 |

| | | | |
|---|---|---|---|
| 2 | 250-400 | 1000 | 20 |
| 3 | 400-600 | 1500 | 30 |
| 4 | 600-800 | 2000 | 40 |
| 5 | 800-1000 | 2500 | 50 |

(ii) Power cost reimbursement @ Rs.2/- per unit for 5 years to be extended to integrated textile projects and to amend the policy accordingly in order to create a level playing field, keeping in view the power cost reimbursement provided to spinning units under earlier policies.

(iii) One time training assistance @ Rs.10,000 per employee for 2000 employees.

(iv) APIIC to provide external infrastructure like power, road and water upto the door step.

(v) 50% of the eligible Capital Investment on green measures specified in the IDP 2015-2020 policy with a ceiling of Rs. 50 crore based on the precedence.

(vi) All other incentives as per Textile and Apparel Policy 2015-2020.

6. The Commissioner of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIA RAJ,
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh, Vijayawada.
M/s. Mohan Spintex India Limited through the Commissioner of CH&T,Guntur Andhra Pradesh.
The Commissioner of Handlooms & Textiles, Yerrabalem, Guntur District.
The PR& RD (PR) Department.
The MA& UD Department.
The H.M.& F.W. Department.
The Collector& District Magistrate, Krishna District.
The VC&MD,APIIC Ltd, Vijayawada
The General Manager, District Industries Centre, Krishna District.
Copy to
The Finance (EBS-VIII) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law(H) Department.
The Accountant General, Andhra Pradesh
The Commissioner of Commercial Taxes
The Vice Chairman & Managing Director, APIIC, Vijayawada.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED BY ORDER//

SECTION OFFICER